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Justice For All:
A Peoples' Hearing On The Housing Crisis

Dec. 8, 1990
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Justice For All: A Peoples' Hearing On The Housing Crisis

Report of a hearing held Dec. 8, 1990 at the 2nd Presbyterian Church Newark, New Jersey

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Introduction:

On Dec. 8, 1990, **Justice For All: A Peoples' Hearing On The Housing Crisis** was held at the 2nd Presbyterian Church in Newark. "We picked the time between Thanksgiving and Christmas to hold this hearing, because we wanted to point out that this will not be a happy holiday season for some - for people who are living in poor conditions, paying rents, and not receiving basic services like heat and elevators, worried about upcoming rent increases which cannot be paid, or homeless and facing the fact that so little low income rental housing is available, and almost none is being built," said Frank Hutchins, one of the event organizers.

"At almost every recent City Council meeting there have been tenants speaking about not having vital services like heat or elevators. More has to be done to make sure that services people pay for are provided and that these buildings are not allowed to deteriorate further, and add to the scarcity of affordable apartments."

On the day of the hearing, a number of people testified about the housing crisis, how it affects them and what should be done about it. The speakers included tenants, representatives for the homeless, and members of community or non-profit organizations which deal with housing issues. The list of speakers is attached.

The panel of people listening to the testimony included:

Ken Aman, from the **Archdiocese of Newark Commission on Peace & Justice**
Jackie Gibbs, **Rutgers Women's Legal Clinic**
Jacqueline Lawrence, **President of the Newark area NAACP**
Jesse Rivera, **Newark Emergency Services For Families**
Susan Field, **Junior League of Montclair & Newark**
C. Stephen Jones, **Metropolitan Ecumenical Ministry**

This was the fourth year that such a Public Hearing has been held.

Justice For All was sponsored by a number of groups, including: Metropolitan Ecumenical Ministry, Newark Coalition for Neighborhoods, the HUD Tenant Coalition, Protestant Community Center/James St. Neighborhood House, Newark Coalition for Low Income Housing, and the Clients Council of Essex Newark Legal Services.

"We need some place to live...These new complexes that are coming in are not for us. We are going to be pushed out of Newark. We were here in the bad time and we want to be here in the good time." Frances Houston, Georgia King Village Tenants Association

"Right now, officials in the City, the Chamber of Commerce and other organizations are talking about a Renaissance which is only in the center of the city, downtown...There are houses being built, but what kind of housing?...Most of us would like to live in them, but it is a dream that we would ever be able to do so...One of the things we have to demand is that there be rental housing at an affordable rent, that people, these forgotten people, can afford. If we do not speak to that, the Tale of Two Cities will continue. There will be two cities further and further apart." Frank Hutchins, Coalition To Save Rent Control

"Newark is on the move, but it's not for me." Pearl Cole, Hayes Homes

Tale of Two Cities?

A number of the speakers drew attention to the dynamic of downtown business development, at the expense of residential neighborhoods, which are continuing to decline. New office buildings and parking lots have sprouted in the center of the city, in many cases financed with public money through generous tax abatements, and bolstered by good city services. Meanwhile, in the neighborhoods: drugs and crime flourish, police do not respond to calls quickly, garbage collection is not done frequently or thoroughly enough in many areas, schools deteriorate, recreational programs are open less and less frequently if not closed altogether, etc.

In housing, a vivid demonstration of this contrast is the quick construction and marketing of developments like Society Hill, which attract professionals from outside the city who can afford to buy these townhouses, and at the same time the destruction of public housing apartments, the only apartments which are available for very low income residents. The Newark Housing Authority planned to blow up over 5000 apartments. This was stopped by an organized effort, when tenants, 1 City Council member, and non-profit community groups in the Newark Coalition For Low Income Housing, took them to court in 1989. The settlement required 1 for 1 replacement of apartments which were to be destroyed, and fixing up of a large number of vacant apartments that currently exist in public housing buildings. However, none of those replacement units have been completed, and the quality of work the Housing Authority is doing on fixing up the vacant apartments is being questioned.

Plans are going forward for for-purchase housing, but there is no plan for rental housing at the price and the numbers that current residents of Newark need.

"I live in Forest Hill Apartments in the north ward. This is a large complex in Newark, where the need for rental housing is dire, where there are over 200 units empty. This is the result of condo conversion. The developer got a tax abatement from the city. Condo conversion is displacing people and destabilizing the community. There are 5 or 6 other applications for condo conversions in Newark now."
Richard Cammarieri, Forest Hills Tenants Association

"The city should not be subsidizing condo conversions by giving tax abatements." *Nancy Zak, HUD Tenants Coalition*

A number of speakers expressed concern about what will happen to renters, to people of low and middle income, if rents continue to rise, and the only housing available is for purchase at prices which people cannot afford.

The example which was raised was Hoboken and Jersey City, where condo conversion has caused the elimination of thousands of rental units and the escalation of rents.

A dramatic recent example of the effect of condo conversion is the Forest Hills Apartments, which was bought by one of the developers who had

done prior condo conversions in Jersey City. The developer was given a tax abatement by the City Council to convert this low and moderate income rental building in the north ward into condominiums. Out of a total of approximately 480 units, 200 units are currently standing vacant! This is appalling in a city with a tremendous need for rental housing.

There are at least 6 more condo conversions being planned in the city: 3 in the north ward, and 3 in the south ward.

Tenant residents realize that condo conversion cuts down the number of available apartments, and worry that they will have no place to live if conversions continue, no rental housing is built, and the number of rental units declines. As one speaker put it, "It seems as if being a renter has become an economic crime. Unless you own something, you are treated as though you are less than human."

Danger of Gentrification - Specific Problem of Condo Conversion

"When I first started organizing tenants, we talked about the need to have effective rent control because there were so many people who were willing to profit from the misery of tenants who could barely meet the rental prices they were charging...We said there had to be a way to control rent. It is not far-fetched to think of it as similar to controlling the airlines because they deal with public safety, or the pharmaceutical companies, because they deal with public safety. Housing is also a matter of public safety. Through the years I have heard the real estate industry say the market should be "free", and rents should be at any price the market can bear. My contention is that there can be no free market when there is no supply, or very limited supply of housing." **Frank Hutchins, Coalition To Save Rent Control**

"Loopholes exist in the rent control law which need to be closed. One provision of the law allows landlords to give a 25% increase whenever somebody moves out of any apartment (after the landlord does a tiny amount of repairs). The law needs to be strengthened, and there have to be automatic and harsh penalties for breaking the law. Otherwise, the laws are worthless." **Nancy Zak, HUD Tenants Coalition**

The Importance of Rent Control

One of the major protections for preserving apartments which currently can be rented by people with low and moderate incomes is the local rent control law. This law means that tenants in buildings larger than 4 apartments know that their rent can only be raised by a fixed percentage each year. (In Newark currently, tenants in buildings from 4 to 49 units get a 5% increase, tenants in buildings 50 apartments or more get a 4% yearly increase.) Many provisions of the rent control law have been weakened over the years. Other provisions exist which are not enforced, such as the law requiring all landlords to register their apartments, and what they currently collect in rents, with the local Rent Control Board.

The City Council greatly weakened the law in 1985 when they passed a partial "vacancy decontrol" law, over tenant objections. This allows landlords to give a 25% increase any time someone vacates an apartment (it requires that the landlord make a minimal amount of repairs).

This provision of the law needs to be eliminated. Tenants must work together to make sure that the law does not continue to be weakened. In spite of the loopholes in the law, it is still very important to have a rent control law.

"We had no services, no elevator, no heat, and were infested with roaches and mice. We held our money and went to court...It turns out it is cheaper for the landlord to hold back the services, make you go down to court, where you have to take days off work and sit there from 9 to 5, and then they give you a (small) rebate and the landlord doesn't have to fix anything. If the landlord is not going to be really hurt in his pocket, he is not going to do anything...We went back to court with this landlord 6 or 7 times. All we had was a revolving door... He promises to get the repairs done by a certain date. When the date comes he doesn't have the job done, so back to court, a small fine, a rebate for us, and another court order...It makes no sense to be going to court for 2 years with the same problems, the same landlord, the same judge...What rebate is going to pay enough for the time you sat up in the cold, got up early to heat water for your children to wash up to go to school, run your heater or your oven all day and increase your gas and electric bills?" **Geraldine Howard, 25 Van Velsor Pl. Tenants Association**

"If you go in front of a judge, the judge thinks the tenant is crazy. He doesn't see me at his dinner table, but he does see my landlord. I have a few dollars to give to a politician but I don't give hundreds and hundreds of dollars. Is that why my landlord is more respected than me?...But when I have a problem, I can't find my politicians." **Francine Christopher, 440 Elizabeth Ave. tenant**

"There are apartments in my building where there have been leaks for 7 years. People have to put pails on the floor to catch the water. People are afraid to speak out for their rights. They feel that repercussions will be made against them...The lack of repairs in the building I live in is not unique." **Jim Walker, 15 Hill St. tenant**

Slumlords, Bad Managers, Unenforced Laws & Revolving Doors

Another problem addressed during the hearing was the lack of enforcement of local laws. Newark has a number of good laws on the books, but there is often no enforcement mechanism, or the penalties for violating the laws are so minimal that the landlord would rather pay a small fine than correct the problem. This leaves tenants in the untenable position of having no way to get action to enforce the laws, and correct problems in their buildings.

Another problem raised at the hearing is the "revolving door" court system, which seems to continually postpone cases where tenants have taken action to get problems resolved in their buildings. Cases are rescheduled month after month, tenants often cannot continue to take days off, and meanwhile the problem continues unabated.

Tenants claim code inspectors and other officials who are charged by the city with enforcing laws get "bought off". In some recent cases in Newark, there have been indictments by the Attorney General's office on similar charges. This means that the person who tenants would normally turn to for law enforcement, might actually be involved in the problem. Tenants also reported managers who are either incompetent, or disrespectful of tenants, allowing buildings to deteriorate, and treating tenants badly, particularly if they attempt to enforce their rights.

Someone has to start looking at HUD and the NJMFA because of their failure to follow up...Something must be done about public agencies which have a responsibility to oversee these properties." **Jim Walker, 15 Hill St. tenant**

"NJMFA and HUD have not lived up to their responsibility to provide safe, decent, and affordable housing. They take public money and misuse it by constantly giving inept landlords and managers money they have taken out of our pockets in taxes, and they are not held accountable. They keep giving money away, and don't hold the owners and managers accountable...Why should I continually pay money for services I am not getting? Some of these buildings are exempt from rent control. The first year I lived in my building we got a 58% rent increase." **Francine Christopher, 440 Elizabeth Ave. tenant**

"Because we have been bringing pressure on the local HUD office, they have finally come out to look at some of the buildings. They never used to do that before." **Nancy Zak, HUD Tenants Coalition**

"It seems as though they are letting our buildings go down. We need an exterminator. The playground is horrible. The townhouses have sewage backing up, with feces, and big mice and rodents coming in. In the highrises the elevators halfway work, there are mice, we smell garbage. I try to get the manager to do something, and he tells me to mind my own business. There have been 5 or 6 people shot here. We have drugs being sold on the property. Yet there are decent people, senior citizens and children living here. We need help." **Francis Houston, Georgia King Village Tenants Association**

Oversight Bureaucracies Not Doing Their Job

According to the testimony, a major problem for many tenants are the state and federal bureaucracies which are charged with providing "safe, decent and affordable" housing, New Jersey Mortgage Finance Agency and the Department of Housing and Urban Development. In Newark, thousands of tenants live in "HUD buildings". These are buildings which are privately owned, (as opposed to public housing). Some of the buildings are directly monitored by HUD. Others are monitored by NJMFA, which HUD makes grants to. The buildings are often exempt from rent control, or appear at the rent control board as a formality only, and NJMFA and HUD allow continued increases, sometimes in the double digits, to be given to

tenants in these buildings. At the same time, services are often dismal and continue to deteriorate. Managers are often incompetent and some treat tenants with arrogance and disrespect. Maintenance staff is incompetent and/or inadequate for the size of the building. There is little, if any, security system in place. Tenants have to fight to gain access to financial records, and when they question expenditures which the landlord lists because these expenditures have never happened (raising the possibility of fraud), their questions are often ignored by NJMFA and HUD.

There is a lack of legal resources for these tenants. Most lawyers are not familiar with the layers of bureaucracy which tenants in these HUD buildings face. In addition, the number of lawyers available to the poor has in general decreased.

Monitoring agencies like NJMFA and HUD continue to pour money into these buildings even when tenants have raised concerns about the expenditures which are claimed. These are public tax dollars. Tenants who speak out have been harassed because they have drawn attention to conditions in their buildings.

17 women in Hayes Homes organized a committee. Nobody was listening to us. When it rains, feces and water come down from the floor above. We have had to throw out all our clothes which were ruined. Our windows are broken. We froze last year, but they did not care. All they cared about was whether they got the rent. The hallway is dirty. I don't have any visitors. I live there because I cannot afford \$7-800 a month. They shot my husband during the riots. I worked and put my daughter through college so she could have a better life... They can't keep me down. I'm going to stick up for my rights." **Pearl Cole, Hayes Homes**

"The manager is trying to get me to move into another apartment because my apartment has water damage. The apartment he wants me to move into has water damage. I refuse to move to another damaged place." **Carol Gordon, Hayes Homes**

"A headline from the New York Times of October this year says 'one year later: a single house.' This is what many of us expected, knowing the Housing Authority's record at mismanaging its properties, and its poor record on construction. Also they claim they have fulfilled the court settlement by repairing vacancies. However, people have gone to the buildings and found that some of the apartments they claim they fixed up have not been repaired at all, and in others, repairs have been shoddily done." **Nancy Zak, HUD Tenants Coalition**

Housing Authority: The Problems Continue

Several speakers addressed the issue of the Newark Housing Authority, which runs the City's public housing projects. The Newark Housing Authority has a history of mismanagement. They have allowed high rise buildings to run down in order to justify plans to dynamite over 5000 apartments in high rise buildings. This plan was stopped by a court suit brought by tenants, and community groups in 1989. The court suit required that before any more dynamiting took place, the Housing Authority would have to begin replacing the units on a 1 for 1 basis, as required by federal law. It also requires that the Housing Authority fix

up the high percentage of vacant apartments in its many other buildings, and rent them up. A year after the settlement, a New York Times headline, reads: "One Year Later, A Single House", and discusses the fact that only 1 replacement unit had been built a year after the court

case. Some replacement units were begun, but construction work was shoddy and behind schedule, and the Housing Authority was involved in a dispute with the contractor. None of the replacement houses were finished, and eventually the City paid to have them demolished.

This example illustrates very well the incompetence of the Housing Authority in holding to its construction schedules. While the Housing Authority has begun fixing the vacant apartments, as required under the legal settlement, a staff person hired to monitor the settlement has inspected the work and raised questions about its quality.

Ongoing problems of poor maintenance continue. Meanwhile there are still 11,000 families on the waiting list for public housing, because it is some of the only housing affordable to low income tenants in Newark.

The Newark Housing Authority is supposed to be monitored by the local HUD office, and recent newspaper articles have told of investigations into fraud and corruption at various housing authorities in the area, and blamed part of the problem on "laxity" on HUD's part in monitoring the local Housing Authorities.

"I don't believe anyone wants to be homeless. We are all just 1 or 2 paychecks away from being homeless." Francine Christopher, 440 Elizabeth Ave.

"I've been working at Newark Emergency Services for Families for 2 months. I never realized what a big problem homelessness is before. People are so intimidated by their landlords. They are afraid of becoming homeless if they are put out." Maria Heredia, Newark Emergency Services For Families

"When I walk down the street and see people lying on the street homeless, but some organizations are getting money to help the homeless, I am concerned about organizations which receive money but which are not accountable for it." Jim Walker, 15 Hill St.

"Homelessness doesn't just happen. We've been holding these hearings for several years. When we first began, we didn't have the rampant problem with homelessness that we have now. At one of the hearings, there was a prediction that if certain things didn't happen, homelessness would grow. Unfortunately that prediction has come true." Frank Hutchins, Coalition To Save Rent Control

Homelessness: Continues To Grow

A number of speakers pointed out that homelessness in Newark has increased over the years. The official estimates by the City now say the City has between 9 and 12,000 homeless. Essex County has nearly 700 families living in welfare hotels. Most of these families are from Newark. Conditions in the hotels are abominable. Yet the owners are being paid approximately \$70 a night to house these families. Many of the city's policies have caused the problem of homelessness to worsen.

The plans to dynamite large numbers of low income public housing, the encouragement of condominium conversion projects, and developers of middle income housing to buy - not to rent, the failure to enforce laws which would

keep rents affordable and keep buildings from deteriorating by requiring maintenance of essential services to tenants, the lack of any policy to build large numbers of low income rental housing units, the failure to enforce laws which would preserve existing low and middle income units - all of these have resulted in an increase in the number of families and individuals who are homeless.

On the state level, the Affordable Housing Bond Act lost. On the federal level the government would rather spend hundreds of millions of dollars to put a King back in Kuwait rather than spend money for housing for people." **Richard Cammarieri, Newark Coalition For Neighborhoods**

Loss of Federal And State Funds For Housing

"It costs 600 million dollars for one kind of plane. In this war economy we have now, that is putting peoples' lives at risk in the Gulf, the money for housing is going up in smoke. Money is also being spent for the Savings and Loan bailout. The S & L bailout is estimated to cost the people \$1.4 billion, and that amount is still growing. ..The interest income for wealthy people has increased 130% from 1980 to 1990. Lots of people have gotten rich...We need money for housing, not for war in the Middle East." **Sylvia Zisman, Jobs With Peace**

Speakers at the hearing brought up the fact that housing programs are not being funded, or are funded at a much lower level, due to the other priorities which state and federal government have - for example, the millions of dollars which are currently being spent for war in the Persian Gulf, and for the bail-out of the

Savings and Loan Industries.

*"It is only because of tenants working together that they have been able to get some of the things they want in their buildings around the city." Nancy Zak,
HUD Tenants Coalition*

Small Victories

*"The only reason we are here today is because we have organizations which provide support to tenants. It is not the city fathers. It is people like ourselves who have joined together to improve our lot. We do this because we have a vested interest. This is the democratic way to improve life for everyone."
Francine Christopher, 440 Elizabeth Ave. tenant*

Several speakers pointed out that tenants have been able to achieve some positive progress in their buildings through organizing this year. Examples included:

- Douglass-Harrison tenants knocking down a proposed 21% increase to an 8% increase
- Tenants at McEvoy Towers getting rid of a manager who was not solving problems, and treating tenants badly.
- Amity Village tenants getting some action after the landlord illegally knocked down walls in their buildings, leaving apartments exposed to the open air.
- Tenants at St. James Towers winning on being able to keep their washing machines on every floor - a quality of life issue.
- Brick Towers got their broken elevators repaired by bringing pressure on elected officials.

In addition a number of new tenant organizations have formed, and others are forming or reactivating themselves. The citywide Tenant Committee was able to publish 2 issues of **Tenant Action News**, which links tenants by telling their stories and by publishing information on their legal rights.

The preservation of existing affordable housing hinges on the strength of these tenant organizations to monitor problems and press for action in their own buildings.

"We all need to join together." Pearl Cole, Hayes Homes

"We need to get out in front of City Hall, and make our voices heard. And we need law firms which are prepared to give tenants assistance in fighting for and with us." Jim Walker, 15 Hill St. tenant

"Nothing will happen unless people are committed to organize and reach out to other people. There has been a lot of talk about public private partnerships, collaboration. But if that fails, you have to be able to confront people. Nothing gets accomplished unless there is some kind of 'confrontation and agitation'...We have to be willing to confront people in terms of our programs, and be willing to fight for what we want. The need is for more organizing. Organizing is the ultimate key. 'If there is no struggle, there is no progress,' Frederick Douglass said. That was true in the 1800's when he said it, and it is true now." Richard Cammareri, Newark Coalition for Neighborhoods

Solutions and Action Strategies: The Importance Of Organizing

Unless existing residents in low and middle income buildings can get access to the resources they need to push for solutions to problems in their buildings, the buildings will continue to deteriorate. Tenants need assistance with: organizing associations, locating legal and financial experts who can help them analyze information, financial resources which will help tenants publicize and educate others about tenant rights. The Hearing pointed out that the organizations represented on the panel could be instrumental in supporting tenants who are working to improve their buildings, and in helping them to marshal the resources necessary to do so.

Many of the issues raised require changes in local, state or federal laws.

Changes are not made unless there is pressure on politicians at each level to make them. Pressure comes in the form of effective organization of enough people around these housing issues.

Those who live in buildings who are battling for the future of their homes, the homeless, and those who are concerned about the lack of affordable housing in Newark must join together to push for policies which will create housing. Some of these suggested policies were published in the report from the first Peoples Hearing in 1986.

As one speaker put it, "the key to any change is organizing."

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